

REFERENCE TITLE: multihousing; earnest money; escrow account

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SB 1393

Introduced by
Senators Cheuvront, Mitchell, Brotherton, Harper, Johnson, Miranda

AN ACT

AMENDING TITLE 32, CHAPTER 20, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-2167; RELATING TO REAL ESTATE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 32, chapter 20, article 3, Arizona Revised Statutes,
3 is amended by adding section 32-2167, to read:

4 32-2167. Earnest money deposit: multiunit residential property;
5 escrow account: definition

6 A. ANY OF THE FOLLOWING WHO RECEIVES AN EARNEST MONEY DEPOSIT IN
7 CONNECTION WITH A REAL ESTATE TRANSACTION INVOLVING THE SALE OF A MULTIUNIT
8 RESIDENTIAL PROPERTY OR ANY UNIT IN A MULTIUNIT RESIDENTIAL PROPERTY SHALL
9 IMMEDIATELY PLACE THE DEPOSIT EITHER IN A FEDERALLY INSURED OR GUARANTEED
10 NEUTRAL ESCROW ACCOUNT THAT IS LOCATED IN THIS STATE AND THAT IS HELD BY AN
11 ESCROW AGENT LICENSED PURSUANT TO TITLE 6, CHAPTER 7 OR IN THE BROKER'S TRUST
12 ACCOUNT:

13 1. A BROKER.

14 2. A PROPERTY MANAGER WHO IS EXEMPT UNDER SECTION 32-2121, SUBSECTION
15 A, PARAGRAPH 6 OR 11.

16 3. A DEVELOPER.

17 B. A SALESPERSON WHO RECEIVES AN EARNEST MONEY DEPOSIT SHALL COMPLY
18 WITH SECTION 32-2151.01, SUBSECTION D.

19 C. THE EARNEST MONEY DEPOSITED PURSUANT TO SUBSECTION A OF THIS
20 SECTION SHALL NOT BE DISTRIBUTED FROM THE ESCROW ACCOUNT OR BROKER'S TRUST
21 ACCOUNT TO THE SELLER UNLESS THE SALE HAS BEEN CLOSED OR THE TRANSACTION HAS
22 BEEN CANCELED.

23 D. FOR THE PURPOSES OF THIS SECTION, "MULTIUNIT RESIDENTIAL PROPERTY"
24 MEANS A RESIDENTIAL PROPERTY IN WHICH AT LEAST TWO UNITS SHARE THE SAME ROOF.